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S E C R E T SECTION 01 OF 03 TAIPEI 001188

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STATE PASS AIT/W

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TAGS: PREL PGOV CH TW SUBJECT: SECRETARY'S BEIJING VISIT: TAIWAN HOPES FOR MIX OF HARD AND SOFT MESSAGES

REF: TAIPEI 865

Classified By: AIT Director Douglas Paal, Reason: 1.4 (B/D)

11. (S) Summary: National Security Council (NSC) Secretary General Chiou 1-jen asked AIT March 18 that Secretary Rice deliver a firm message to PRC leaders over the recent enactment of the Anti-Secession Law during her upcoming visit to Beijing. At the same time, Chiou hoped the Secretary would urge Beijing to offer modest, but substantive, goodwill gestures to Taipei in order to nudge cross-Strait relations back on a more stable course. Chiou said that Taipei is willing to fully resume cross-Strait opening measures within a matter of weeks, if Beijing refrains from further negative actions. However, Chiou said Taipei has received recent information suggesting Beijing plans to take additional legislative measures aimed at Taiwan in the coming months. Chiou asserted that clear paired private and public markers over the Anti-Secession Law could discourage Beijing from going down this path. Chiou added that a firm public line by the Secretary in Beijing that includes a reference to U.S. commitments under the Taiwan Relations Act will also reduce political pressure in Taiwan for a harder response by the Chen administration. End Summary.

Taipei's Hopes and Expectations

12. (S) On March 18, NSC Secretary General Chiou I-jen asked the AIT Deputy Director to convey Taipei's request that Secretary Rice reinforce recent USG statements over the

Anti-Secession Law during her upcoming visit to Beijing. Chiou said that Taipei hopes the Secretary will deliver messages during her visit: 1) inform PRC leaders that the USG will abide by its commitments under the TRA if Beijing uses "non-peaceful measures" in the Taiwan Strait; and 2) encourage Beijing to consider goodwill gestures on economic and political contacts to minimize damage from fallout over the Anti-Secession Law. Chiou acknowledged that it may not be appropriate for the Secretary to deliver a strong public warning while on PRC territory. However, he said that if the Secretary could add a rejoinder about the TRA's language on

the U.S. commitment to maintain stability in the Taiwan Strait in the context of her public recitation of the U.S. One China Policy and three communiques, it would send a subtle but strong message to both sides. Chiou noted that such a message would be equally effective if delivered publicly during her March 19-20 stay in Tokyo. The important thing for Taipei, Chiou added, is that the Secretary say something that goes beyond what has already been said by the State Department and White House Spokesmen.

The Cup Half Full...

- 13. (S) Chiou expressed concern that PRC cross-Strait policy may be at crucial juncture, and urged the USG to press Beijing to take the more moderate path. Chiou noted that there are different theories over why Beijing went ahead with the Anti-Secession Law despite the recent thaw in cross-Strait relations. Some have assessed that Hu Jintao used the law to either influence or buy-off hard-liners in the People's Liberation Army (PLA). Others suggest that Beijing was reacting to events before and after the March 20, 2004 presidential election and, due to its internal policymaking mechanism, was unable to reverse decisions made during that more tense period. Chiou said that he hopes that some combination of these explanations is accurate. If they are, Chiou stressed that Secretary Rice should let Beijing know that Taipei does not plan to sever future contacts just because of this one "mistake.
- $\P4$ . (S) In this context, Chiou said that it would be helpful for the Secretary to encourage PRC leaders to consider President Chen Shui-bian's recent "the results of the 1992 Hong Kong talks" formulation as a possible way to bridge the current "one China" barrier to cross-Strait political dialogue (Reftel). Chiou added that he has instructed the Mainland Affairs Council (MAC) to respond positively if the

PRC side offers a gesture on Taiwan's proposal for direct cross-Strait cargo flights during the Secretary's visit. Chiou noted that while Taipei may not immediately accept such an overture so soon after Beijing's enactment of the Anti-Secession Law, it would certainly respond within a matter of weeks. NSC Senior Advisor Lin Jin-chang offered his personal view, however, that if Beijing wants to make a positive economic gesture, it should wait until after the planned March 26 Taipei mass rally in order to avoid seeing the overture rejected by the Taiwan media and public as insincere.

## Or Empty

- 15. (S) Chiou warned that, even as Taipei stands ready to reciprocate goodwill gestures on Beijing's part, Washington would be well advised to lay down some firm markers in case the motives behind the Anti-Secession Law were not as benign as observers may hope. Chiou said that Taipei has picked up a number of recent indications that the PRC is preparing for further legal steps aimed at Taiwan. According to Chiou, the head of the Xinhua News Service branch in Macau told Taiwan officials this week that Beijing is preparing to act on more than a dozen legislative measures that will fall under the broad framework of the Anti-Secession Law. Taipei has also received multiple reports that the PRC is planning to revise the National Emergencies Act (Guojia Jinji Zhuangkuang Fa) to authorize the mobilization of military and para-military forces in a Taiwan Strait crisis. Chiou warned that if the world community, and especially the United States, were seen as tacitly accepting the Anti-Secession Law, Beijing may conclude that it can afford to take further legislative actions to pressure Taipei.
- 16. (S) MAC Chief Secretary Jan Jyh-horng subsequently contacted AIT to provide further details on the Xinhua information. Jan said that National People's Congress (NPC) Chairman Wu Bangguo announced during his March 9 work report that the National Emergencies Act, which authorizes the government to declare martial law among other measures to respond to major natural and civil disasters, is to be revised by the end of the year. Jan added that the Xinhua Macau source told Taipei that the other legislation Chiou referred to would likely include implementing and administrative measures tied to different articles of the Anti-Secession Law. Jan noted that the Xinhua source told Taipei officials that many in Beijing took Secretary Rice's reference to the "unfortunate timing" of the Anti-Secession Law as a signal that the USG may have only objected to the timing of the bill, and not its substance.

### Domestic Reaction

17. (S) Chiou noted that a firm statement by the Secretary in Beijing will also ease domestic pressure on President Chen Shui-bian to take more forceful actions in the coming weeks. Chiou remarked that President Chen appears to be effectively in control of the situation at home, adding that the planned March 26 mass rally in Taipei has thus far pre-empted action on such things as a referendum or Anti-Annexation Law. Chiou cautioned, however, that if the U.S. is seen as tolerating the Anti-Secession Law this time, Taiwan may be under considerably greater pressure to take stronger actions if Beijing follows up with further legislative steps. Chiou noted that elements of the Taiwan media have asserted that Washington has taken a much milder tone with Beijing over the Anti-Secession Law than it took with Taipei over the referendum and constitutional reform issues. While personally disputing this characterization, Chiou said that this line of analysis could re-emerge after the Secretary's Beijing trip if "it looks like just another routine ministerial visit."

# Comment: Seeking Help to Stay the Course

18. (S) Chiou's request was considerably more restrained and nuanced than similar messages AIT has received from MAC Chair Joseph Wu and other contacts in Taiwan in the days leading up to the Secretary's Beijing visit. Many officials are clearly reacting to Taiwan media reports portraying the USG reaction over the Anti-Secession Law as "weak." Nevertheless, Chiou's assertion that Chen "has control" of his own base appears to be accurate. Even though much of the public commentary from the government has been barbed and emotional, the President has managed to keep the door open to returning to the moderate course set earlier in the year. In light of this fact, it would be useful to remind Beijing that underneath the heated rhetoric and mass rallies, Taipei appears willing to put cross-Strait contacts back on an even keel.